

1970

ANNUAL REPORT

OF

The Belt Railway Company

of **CHICAGO**

FOR THE

YEAR ENDED DECEMBER 31, 1970

BOARD

MRB
652.0973
B419a

General Offices
6900 South Central Avenue
Chicago, Illinois 60638

ORGANIZATION DIRECTORS

J. C. DAVIS, The Atchison, Topeka and Santa Fe Railway Co. . . . Chicago, Ill.
I. C. ETHINGTON, Burlington Northern Inc. Chicago, Ill.
C. V. COWAN, The Chesapeake and Ohio Railway Company Baltimore, Md.
H. S. VIERLING, Chicago & Eastern Illinois Railroad Co. Chicago, Ill.
M. L. CASSELL, Chicago, Rock Island and Pacific Railroad Co. . . Chicago, Ill.
G. W. MAXWELL, Erie Lackawanna Railway Co. Cleveland, Ohio
C. A. DOBBINS, Grand Trunk Western Railroad Co. Detroit, Mich.
O. H. ZIMMERMAN, Illinois Central Railroad Co. Chicago, Ill.
R. E. BISHA, Louisville and Nashville Railroad Co. Louisville, Ky.
S. T. BROWN, Monon Railroad. Chicago, Ill.
R. F. DUNLAP, Norfolk and Western Railway Co. Roanoke, Va.
K. E. SMITH, Penn Central Transportation Co. Chicago, Ill.
J. D. BOND, Soo Line Railroad Co. Minneapolis, Minn.

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Changes during period between Annual Reports:

BURLINGTON NORTHERN INC.

Mr. I. C. Ethington elected May 12, 1970, succeeding Mr. W. N. Ernzen, resigned.

CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY

Mr. M. L. Cassell elected December 1, 1970, succeeding Mr. W. J. Dixon, resigned.

EXECUTIVE COMMITTEE

K. E. Smith, Chairman

J. D. Bond
J. C. Davis

G. W. Maxwell
O. H. Zimmerman

OFFICERS

President and General Manager L. A. EVANS
Vice President and Assistant General Manager. D. R. TURNER
Secretary and Treasurer J. R. EKHOLM
General Counsel R. F. KOPROSKE
Controller. W. J. CASSIDY
Assistant Secretary and Assistant Treasurer J. CHESTER

ANNUAL MEETING

SECOND TUESDAY IN MAY

GENERAL REMARKS

Chicago, May 11, 1971

To the Stockholders of
The Belt Railway Company of Chicago

The Board of Directors herewith submits its report of operations for the year ended December 31, 1970.

OPERATING REVENUES:

Total operating revenues for the year were \$14,499,859 compared with \$12,751,541 in 1969, an increase of \$1,748,318, or 13.7 per cent. Total intermediate cars and local loaded cars handled in Belt Separate Operation comprise the principal source of operating revenue. Intermediate cars handled increased 32,451, or 8.7 per cent; local loaded cars handled increased 730, or 0.4 per cent, and the average revenue per local loaded car handled increased \$3.52, or 8.7 per cent. Operating revenues were boosted largely by increased freight rates and the increase in traffic.

Demurrage charges assessed various industries increased \$126,546, or 18.9 per cent.

Direct deliveries by owner lines and other connections decreased 27,111 cars, or 3.4 per cent, but continue to be a contributory factor in holding down operating revenues.

OPERATING EXPENSES:

Total gross operating expenses in 1970, which include some \$247,000 in additional crew cost (third man on crew), were \$16,280,213 compared with \$14,531,772 in 1969, an increase of \$1,748,441, or 12.0 per cent; higher wage rates amounted to \$961,186. Operating ratio decreased to 91.39 from 92.01 in 1969.

MAINTENANCE OF WAY AND STRUCTURES:

Gross Maintenance of Way and Structures expense increased \$151,088, or 6.3 per cent; that portion chargeable to Belt Railway Separate Operation increased \$42,701, or 2.5 per cent, compared with the previous year, reflecting increases principally in "Signals and Interlockers" due to replacement of one car retarder unit in "A" Class Yard, Clearing, and "Bridges, Trestles and Culverts" and "Track Laying and Surfacing" due to increased maintenance program. Higher wage rates amounted to \$100,004. Operating ratio decreased to 12.06 from 13.38 in 1969.

Rail replacements in 1970 were 552 gross tons of new and 401 gross tons of secondhand rail, compared with renewal of 377 gross tons of new and 468 gross tons of secondhand rail in 1969.

There were 9,220 crossties, 117,298 feet B.M. switch ties, and 558 bridge ties installed during the year, compared with 10,188 crossties, 130,292 feet B.M. switch ties, and 556 bridge ties placed in 1969.

MAINTENANCE OF EQUIPMENT:

Gross Maintenance of Equipment expense increased \$298,131, or 18.0 per cent; that portion chargeable to Belt Railway Separate Operation increased \$256,734, or 17.6 per cent, principally due to increased material requirements for diesel locomotive and car repairs. Higher wage rates amounted to \$144,838. Operating ratio of 11.82 compares with 11.42 in 1969.

TRANSPORTATION:

Gross Transportation expense increased \$1,555,738, or 17.5 per cent; that portion chargeable to Belt Railway Separate Operation increased \$1,392,947 or 18.8 per cent, principally due to higher payroll and other costs to handle the heavy diversion of business to the railroads and resulting congestion during the major truck strike in the second quarter of 1970; the additional expense of a third man on the crews; also increase in cost of employees health and welfare benefits. Higher wage rates increased Transportation expense \$663,258. Operating ratio of 60.57 compares with 57.95 in 1969.

GENERAL:

Gross General expense decreased \$252,912, or 16.3 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$169,852, or 14.6 per cent. Higher wage rates amounted to \$43,086. Operating ratio decreased to 6.86 from 9.14 in 1969.

RAILWAY TAX ACCRUALS:

Increase of \$618,183 is due principally to general property tax refund in 1969 for years 1957-1958, plus increase in supplemental pension tax in 1970.

JOINT FACILITY RENT INCOME:

Increase of \$1,320,721 is due to decrease in Belt Railway Company net related terminal income applied to reduce owner lines' working expenses and Belt Separate Operation loss

apportioned owner lines, plus increase in owner lines' proportion of rentals, taxes, etc.

HIRE OF FREIGHT CARS:

Increase of \$733,769 is due principally to increased car detention account congestion during the major truck strike-lockout period in 1970, and comparison with lower than normal 1969 figure which reflected reclaim received in 1969 as a result of 101 day strike in 1968.

WAGE AND LABOR DEVELOPMENTS:

NATIONAL ISSUES

We went into the Year 1970 with pending requests for wage increases and rules changes for all crafts represented by labor unions.

The Shop Crafts dispute, carried over from 1969, was settled by congressional action, when Resolution 190 was passed by the Senate and House and signed into law by the President on April 9, 1970. The settlement generally followed the provision of an emergency board report, providing for wage increases of 2 per cent January 1, 1969; 3 per cent July 1, 1969; 10 cents per hour September 1, 1969; 5 per cent January 1, 1970; 7 per cent February 15, 1970; 4 cents per hour April 1, 1970 and 4 cents per hour August 1, 1970.

The remaining disputes pending at the beginning of 1970, and subsequent request for 1970 wage increases and rules changes from the Shop Crafts were handled nationally throughout the year. The dispute with the Clerks, Maintenance of Way employees and the United Transportation Union resulted in a one day national strike December 10, 1970. Congressional action imposed an extended cooling off period for negotiations, and granted the unions the wage increases for 1970 recommended by an emergency board of 5 per cent January 1, 1970 and 32 cents per hour November 1, 1970.

LOCAL ISSUES

An agreement was made on December 14, 1970 with the Supervisors Union granting them the pattern wage increases for 1970, in full disposition of their request for wage increases and rules changes.

Special Boards were established to dispose of various cases with the United Transportation Union and the Brotherhood of Locomotive Engineers. These cases are now in the process of being prepared for hearing before the referees appointed by the National Mediation Board.

DATA SYSTEMS:

Two new television-style viewers (IBM 2260 Display Stations) which are connected to the Computer Center, were installed in the Service Bureau and Car Operation section, providing faster car tracing.

RAIL TO WATER TRANSFER OPERATION:

Rail to Water transfer operation commenced March 23 and ended December 28, 1970. In 1969 the season started March 31 and terminated December 21. Coal tonnage handled over the facility during 1970 totaled 6,306,276 compared with 6,216,410 tons in the previous year, an increase of 89,866, or 1.4 per cent. Unit train coal handling of lake cargo consignments, introduced for the first time in 1964, constituted 87.8 per cent of the total coal tonnage handled during 1970.

ADDITIONS AND BETTERMENTS:

Additions and Betterments are indicated in detail on pages 10 and 11.

BELT INDUSTRIES:

During the year eleven new industries were located and fifteen vacated, compared with eighteen located and thirty vacated in 1969.

Detailed statements of the accounts of the company will be found in the following tables.

The Board again records appreciation of the cooperation and contributions of the employees and managerial staff during the year.

Respectfully submitted by order of the Board of Directors.

L. A. EVANS
President and General Manager

INCOME STATEMENT

For the Year ended December 31, 1970, compared with the
Year ended December 31, 1969

	1970	1969	Increase or (Decrease)
RAILWAY OPERATING REVENUES:			
Intermediate switching	\$ 5,212,249	\$4,310,785	\$ 901,464
Local switching	8,386,899	7,684,246	702,653
Demurrage	796,700	670,154	126,546
Rents of buildings and other property . . .	50	11	39
Miscellaneous	103,961	86,345	17,616
Joint facility - Cr.			
Total railway operating revenues	\$14,499,859	\$12,751,541	\$1,748,318
RAILWAY OPERATING EXPENSES:			
Maintenance of way and structures	\$ 1,748,855	\$ 1,706,154	\$ 42,701
Maintenance of equipment	1,713,535	1,456,801	256,734
Traffic	11,941	14,769	(2,828)
Transportation-Rail line	8,782,700	7,389,753	1,392,947
General	995,025	1,164,877	(169,852)
Total railway operating expenses	\$13,252,056	\$11,732,354	\$1,519,702
(Detail pages 13-16)			
Net revenue from railway operations	\$ 1,247,803	\$ 1,019,187	\$ 228,616
Operating ratio	91.39	92.01	(.62)
RAILWAY TAX ACCRUALS:			
General property	\$ 698,639	\$ (184,758)	\$ 883,397
Federal income	67,765	460,171	(392,406)
Retirement	939,424	817,838	121,586
Unemployment	214,112	205,486	8,626
Other	9,002	12,022	(3,020)
Total railway tax accruals	\$ 1,928,942	\$ 1,310,759	\$ 618,183
Railway operating income	\$ (681,139)	\$ (291,572)	\$ (389,567)
RENT INCOME:			
Rent from locomotives	\$ 10,793	\$ 16,431	\$ (5,638)
Rent from work equipment	5,241	2,190	3,051
Joint facility rent income	3,627,791	2,307,070	1,320,721
Total rent income	\$ 3,643,825	\$ 2,325,691	\$1,318,134
RENTS PAYABLE:			
Hire of freight cars-Debit balance	\$ 1,483,782	\$ 750,013	\$ 733,769
Rent for locomotives	183	--	183
Rent for work equipment			
Joint facility rents	137,500	129,941	7,559
Total rents payable	\$ 1,621,465	\$ 879,954	\$ 741,511
Net rents	\$ 2,022,360	\$ 1,445,737	\$ 576,623
Net railway operating income	\$ 1,341,221	\$ 1,154,165	\$ 187,056

INCOME STATEMENT - CONCLUDED

For the Year ended December 31, 1970, compared with the
Year ended December 31, 1969

	1970	1969	Increase or (Decrease)
OTHER INCOME:			
Income from lease of road and equipment	\$ 23,903	\$ 25,279	\$ (1,376)
Miscellaneous rent income	237,881	227,953	9,928
Income from non-operating property . . .	31,911	19,780	12,131
Interest income	56,630	54,319	2,311
Income from sinking and other reserve funds	119,891	50,946	68,945
Miscellaneous income	304,701	502,531	(197,830)
Total other income	\$ 774,917	\$ 880,808	\$ (105,891)
Total income	\$2,116,138	\$2,034,973	\$ 81,165
MISCELLANEOUS DEDUCTIONS FROM INCOME:			
Miscellaneous rents	\$ 2	\$ 289	\$ (287)
Miscellaneous tax accruals	91,148	25,005	66,143
Miscellaneous income charges	81,948	109,589	(27,641)
Total miscellaneous deductions	\$ 173,098	\$ 134,883	\$ 38,215
Income available for fixed charges . .	\$1,943,040	\$1,900,090	\$ 42,950
FIXED CHARGES:			
Rent for leased roads and equipment . .	\$ 69,427	\$ 69,439	\$ (12)
Interest on funded debt	1,749,111	1,738,645	10,466
Amortization of discount on funded debt .	4,970	4,972	(2)
Total fixed charges	\$1,823,508	\$1,813,056	\$ 10,452
Income after fixed charges	\$ 119,532	\$ 87,034	\$ 32,498
EXTRAORDINARY AND PRIOR PERIOD ITEMS:			
Extraordinary items (net)	--	--	--
Federal income taxes on extraordinary & prior items	--	--	--
Total extraordinary & prior period items	--	--	--
Net income transferred to Retained Income	\$ 119,532	\$ 87,034	\$ 32,498

RETAINED INCOME -UNAPPROPRIATED

To December 31, 1970

Credit balance at beginning of year	\$1,631,324
Additions	--
Credit balance transferred from income.	119,532
Credit balance December 31, 1970	\$1,750,856

COMPARATIVE GENERAL BALANCE SHEET ASSETS

	December 31, 1970	December 31, 1969	Increase or (Decrease)
CURRENT ASSETS:			
Cash	CR. \$ 226,347	\$ 191,404	\$ (417,751)
Temporary cash investments	1,796,347	1,096,478	699,869
Special deposits	1,318	277	1,041
Traffic and car-service balances-Dr.	452,148	580,018	(127,870)
Miscellaneous accounts receivable.	2,239,286	1,941,948	297,338
Interest and dividends receivable.	279	217	62
Accrued accounts receivable	799,123	728,684	70,439
Working fund advances	1,695	1,695	--
Prepayments	141,075	56,610	84,465
Material and supplies	547,464	535,084	12,380
Total current assets	\$ 5,752,388	\$ 5,132,415	\$ 619,973
SPECIAL FUNDS:			
Sinking funds.	\$ --	\$ --	\$ --
Capital and other reserve funds	1,473,770	1,372,976	100,794
Insurance and other funds	14,010	12,769	1,241
Total special funds	\$ 1,487,780	\$ 1,385,745	\$ 102,035
PROPERTIES:			
Road (See pages 10 and 11)	\$30,918,598	\$30,947,836	\$ (29,238)
Equipment (See pages 11 and 18).	6,820,313	6,806,379	13,934
Construction work in progress	21,096	92,888	(71,792)
Improvements on leased property	36,375	30,347	6,028
Total transportation property	\$37,796,382	\$37,877,450	\$ (81,068)
Accrued depreciation - Road and equipment	(7,827,525)	(7,104,549)	(722,976)
Total transportation property less recorded depreciation and amortization	\$29,968,857	\$30,772,901	\$ (804,044)
Miscellaneous physical property.	6,873,318	6,875,425	(2,107)
Total properties less recorded depreciation and amortization.	\$36,842,175	\$37,648,326	\$ (806,151)
OTHER ASSETS AND DEFERRED CHARGES:			
Other assets	* \$ 359,895	\$ 4,179	\$ 355,716
Unamortized discount on long term debt	83,256	88,227	(4,971)
Other deferred charges	189,218	187,330	1,888
Total other assets and deferred charges	\$ 632,369	\$ 279,736	\$ 352,633
Total assets	\$44,714,712	\$44,446,222	\$ 268,490

* Includes \$357,819 due from Penn Central Co. subject to Section 77 of the Bankruptcy Act.

DECEMBER 31, 1970 AND DECEMBER 31, 1969
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1970	December 31, 1969	Increase or (Decrease)
CURRENT LIABILITIES:			
Audited accounts and wages payable. . .	\$ 1,224,698	\$ 788,904	\$ 435,794
Miscellaneous accounts payable.	141,765	127,345	14,420
Interest matured unpaid	1,318	277	1,041
Unmatured interest accrued	554,278	569,354	(15,076)
Accrued accounts payable.	99,841	126,746	(26,905)
Federal income taxes accrued.	--	--	--
Other taxes accrued	952,432	845,980	106,452
Other current liabilities	36,723	1,392	35,331
Total current liabilities	\$ 3,011,055	\$ 2,459,998	\$ 551,057
LONG-TERM DEBT DUE WITHIN ONE YEAR:			
Equipment obligations and other debt	\$ 82,500	\$ 74,375	\$ 8,125
LONG-TERM DEBT:			
First Mortgage 4-5/8% Sinking Fund Bonds, Series A, due August 15, 1987.	\$31,267,000	\$32,022,000	\$ (755,000)
Equipment obligations	428,125	535,000	(106,875)
Amounts payable to affiliated companies	4,625,775	3,880,776	744,999
Total long-term debt.	\$36,320,900	\$36,437,776	\$ (116,876)
OTHER LIABILITIES AND DEFERRED CREDITS:			
Other liabilities	\$ 104,065	\$ 107,520	\$ (3,455)
Other deferred credits.	95,336	385,229	(289,893)
Total other liabilities and deferred credits	\$ 199,401	\$ 492,749	\$ (293,348)
SHAREHOLDERS' EQUITY:			
Capital Stock issued. . \$3,120,000(A) Less held by or for company None	\$ 3,120,000	\$ 3,120,000	\$ --
Capital surplus:			
Paid-in surplus	230,000	230,000	--
Retained income - Unappropriated. . .	1,750,856	1,631,324	119,532
Total shareholders' equity.	\$ 5,100,856	\$ 4,981,324	\$ 119,532
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$44,714,712	\$44,446,222	\$ 268,490

(A) Owned one-thirteenth each - AT&SF, C&O, C&EI, BN, CRI&P, Erie Lackawanna, GTW, IC, L&N, Monon, N&W, Penn Central, Soo Line.

ROAD AND EQUIPMENT PROPERTY

	Balance December 31, 1969	1970		Balance December 31, 1970
		Additions & Betterments	Retire- ments	
ROAD:				
Engineering	\$ 672,153	\$ 1,131	\$ 4,718	\$ 668,566
Land for transportation purposes .	10,755,547	--	44,737	10,710,810
Grading.	4,397,004	1,675	202	4,398,477
Bridges, trestles and culverts . .	1,918,245	213	--	1,918,458
Ties	1,029,349	2,128	11,390	1,020,087
Rails	2,573,720	6,164	8,174	2,571,710
Other track material	2,143,360	14,205	4,207	2,153,358
Ballast	588,507	2,093	2,088	588,512
Track laying and surfacing	1,035,611	10,613	8,731	1,037,493
Fences, snowsheds and signs . . .	6,051	1,792	--	7,843
Station and office buildings . . .	1,213,607	5,498	1,295	1,217,810
Roadway buildings	78,360	--	486	77,874
Water stations	56,015	10,302	--	66,317
Fuel stations.	65,376	--	--	65,376
Shops and engine houses	681,861	7,866	--	689,727
Wharves and docks	40,369	--	--	40,369
Communication systems.	238,541	11,777	3,072	247,246
Signals and Interlockers	1,488,506	27,570	2,000	1,514,076
Power plants	50,495	--	--	50,495
Power-transmission systems	124,309	--	--	124,309
Miscellaneous structures	66,884	2,928	--	69,812
Roadway machines	348,399	23,883	--	372,282
Carried forward.	\$29,572,269	\$129,838	\$91,100	\$29,611,007

ROAD AND EQUIPMENT PROPERTY - CONCLUDED

	Balance December 31, 1969	1970		Balance December 31, 1970
		Additions & Betterments	Retire- ments	
ROAD: Brought Forward	\$29,572,269	\$129,838	\$ 91,100	\$29,611,007
Roadway small tools	13,667	--	--	13,667
Public improvements - construction	700,374	--	--	700,374
Other expenditures - Road	524	--	--	524
Shop machinery	227,035	947	--	227,982
Power plant machinery	433,967	14,892	83,815	365,044
Total Road	\$30,947,836	\$145,677	\$174,915	\$30,918,598
EQUIPMENT:				
Diesel locomotives	\$ 6,272,503	\$ --	\$ --	\$ 6,272,503
Freight-train cars	243,992	--	4,773	239,219
Work equipment	128,463	2,557	--	131,020
Miscellaneous equipment	161,421	24,651	8,501	177,571
Total Equipment	\$ 6,806,379	\$ 27,208	\$ 13,274	\$ 6,820,313
TOTAL	\$37,754,215	\$172,885	\$188,189	\$37,738,911

FUNDED DEBT

For the Year Ended December 31, 1970

First Mortgage Bonds issued

August 15, 1962 due August 15,
1987 Bankers Trust Company,
New York, Trustee

Total amount authorized \$75,000,000

Total issued August 15, 1962 - \$37,250,000

4-5/8% Sinking Fund Bonds Series

"A" due August 15, 1987

For purchase of property formerly

leased from Chicago and Western

Indiana Railroad Company August 15, 1962 \$36,662,852

Proceeds expended for financing expenses also for

additions and betterments subsequent to August 15, 1962 587,148

Total issued \$37,250,000

Less: Redeemed and cancelled 5,983,000

Total Outstanding at December 31, 1970 \$31,267,000

OPERATING EXPENSES

For the Year ended December 31, 1970, compared with the
Year ended December 31, 1969

	1970	1969	Increase or (Decrease)
MAINTENANCE OF WAY AND STRUCTURES:			
Superintendence	\$ 205,675	\$ 203,514	\$ 2,161
Roadway maintenance	138,081	112,381	25,700
Bridges, trestles, and culverts	106,562	66,878	39,684
Ties	91,100	96,339	(5,239)
Rails	70,938	59,294	11,644
Other track material	103,174	117,161	(13,987)
Ballast	21,864	27,227	(5,363)
Track laying and surfacing	564,223	448,969	115,254
Fences, snowsheds, and signs	6,569	1,499	5,070
Station and office buildings	87,327	93,684	(6,357)
Roadway buildings	17,628	10,031	7,597
Water stations	3,365	30,801	(27,436)
Fuel stations	608	2,570	(1,962)
Shops and enginehouses	59,032	49,741	9,291
Communication systems	112,395	67,703	44,692
Signals and interlockers	355,393	305,204	50,189
Power plants	8,446	14,604	(6,158)
Power-transmission systems	3,541	6,051	(2,510)
Miscellaneous structures	5,940	5,825	115
Road property - Depreciation (Leased)	139	139	--
Road property - Depreciation (Owned)	168,813	166,028	2,785
Retirements - Road	14,391	(224)	14,615
Roadway machines	30,553	24,649	5,904
Dismantling retired road property	13,946	6,486	7,460
Small tools and supplies	35,844	34,907	937
Removing snow, ice, and sand	83,646	74,600	9,046
Public improvements - Maintenance	13,661	25,275	(11,614)
Injuries to persons	43,468	26,344	17,124
Insurance	30,250	27,800	2,450
Stationery and printing	4,884	2,934	1,950
Employees health and welfare benefits	66,313	51,310	15,003
Equalization-way and structures	--	(142)	142
Right-of-way expenses	2,218	155,565	(153,347)
Maintaining joint tracks, yards and other facilities - Dr.	70,737	65,610	5,127
Other expenses	1,628	10,507	(8,879)
Gross total	\$2,542,352	\$2,391,264	\$ 151,088
Maintaining joint tracks, yards and other facilities - Cr.	793,497	685,110	108,387
Net - Belt Railway - Separate operation	\$1,748,855	\$1,706,154	\$ 42,701
Ratio to operating revenues	12.06	13.38	(1.32)

OPERATING EXPENSES • CONTINUED

For the Year ended December 31, 1970, compared with the
Year ended December 31, 1969

	1970	1969	Increase or (Decrease)
MAINTENANCE OF EQUIPMENT:			
Superintendence	\$ 79,449	\$ 77,466	\$ 1,983
Shop machinery	3,248	2,794	454
Power-plant machinery	16,521	19,732	(3,211)
Shop and power plant machinery - Depreciation (Owned)	16,224	15,320	904
Dismantling ret. shop & power plant machinery	6,580	4,076	2,504
Diesel locomotives - Repairs	840,837	618,275	222,562
Freight-train cars - Repairs	439,353	376,624	62,729
Work equipment - Repairs	7,390	47,997	(40,607)
Miscellaneous equipment - Repairs	32,446	27,142	5,304
Dismantling retired equipment (Owned)	59	--	59
Retirement-Equipment	--	--	--
Equipment - Depreciation (Owned)	279,747	277,323	2,424
Injuries to persons	22,668	9,125	13,543
Insurance	55,009	40,299	14,710
Stationery and printing	3,648	3,203	445
Employees health and welfare benefits	43,157	36,247	6,910
Joint maintenance of equipment expenses - Dr.	105,322	94,683	10,639
Other expenses	2,121	5,342	(3,221)
Gross total	\$1,953,779	\$1,655,648	\$ 298,131
Joint maintenance of equipment expenses - Cr.	240,244	198,847	41,397
Net - Belt Railway - Separate operation	\$1,713,535	\$1,456,801	\$ 256,734
Ratio to operating revenues	11.82	11.42	.40
TRAFFIC:			
Superintendence	\$ 558	\$ 1	\$ 557
Advertising	8,409	11,652	(3,243)
Stationery and printing	4,998	5,920	(922)
Employees health and welfare benefits	154	150	4
Gross total	\$ 14,119	\$ 17,723	\$ (3,604)
Charged to Owner Line operation	2,178	2,954	(776)
Net-- Belt Railway - Separate operation	\$ 11,941	\$ 14,769	\$ (2,828)
Ratio to operating revenues	.08	.12	(.04)

OPERATING EXPENSES - CONTINUED

For the Year ended December 31, 1970, compared with the
Year ended December 31, 1969

	1970	1969	Increase or (Decrease)
TRANSPORTATION - RAIL LINE:			
Superintendence	\$ 424,903	\$ 370,969	\$ 53,934
Dispatching trains	108,567	98,571	9,996
Station employees	867,666	746,731	120,935
Weighing, inspection, and demurrage bureaus	5,689	4,045	1,644
Station supplies and expenses	44,476	32,791	11,685
Yardmasters and yard clerks	692,145	624,342	67,803
Yard conductors and brakemen	2,992,281	2,300,193	692,088
Yard switch and signal tenders	571,260	491,206	80,054
Yard enginemen	1,805,045	1,746,349	58,696
Yard switching fuel	317,065	300,013	17,052
Water for yard locomotives	1,563	1,163	400
Lubricants for yard locomotives	47,579	44,176	3,403
Other supplies for yard locomotives	41,164	35,243	5,921
Enginehouse expense - Yard	250,858	203,896	46,962
Yard supplies and expenses	846,622	688,117	158,505
Crossing protection	12,165	1,821	10,344
Communication system operation	33,345	31,303	2,042
Employees health and welfare benefits	356,694	268,696	87,998
Stationery and printing	49,936	50,288	(352)
Other expenses	2,621	25,003	(22,382)
Insurance	54,905	37,177	17,728
Clearing wrecks	88,346	74,786	13,560
Damage to property	45,537	7,057	38,480
Loss and damage - Freight	110,402	117,793	(7,391)
Injuries to persons	257,740	194,172	63,568
Operating joint yards and terminals - Dr.	441,435	418,370	23,065
Gross total	\$10,470,009	\$8,914,271	\$1,555,738
Operating joint yards and terminals - Cr.	1,687,309	1,524,518	162,791
Net - Belt Railway - Separate operation	\$ 8,782,700	\$7,389,753	\$1,392,947
Ratio to operating revenues	60.57	57.95	2.62

OPERATING EXPENSES - CONCLUDED

For the Year ended December 31, 1970, compared with the
Year ended December 31, 1969

	1970	1969	Increase or (Decrease)
GENERAL:			
Salaries and expenses of general officers	\$ 289,577	\$ 266,746	\$ 22,831
Salaries and expenses of clerks and attendants	557,251	541,683	15,568
General office supplies and expenses	179,434	164,638	14,796
Law expenses	70,976	361,537	(290,561)
Insurance	1,516	1,522	(6)
Employees health and welfare benefits	35,817	30,243	5,574
Pensions	79,274	81,665	(2,391)
Stationery and printing	51,712	44,737	6,975
Other expenses	29,534	52,010	(22,476)
General joint facilities - Dr.	4,863	8,085	(3,222)
Gross total	\$ 1,299,954	\$ 1,552,866	\$ (252,912)
General joint facilities - Cr.	304,929	387,989	(83,060)
Net - Belt Railway - Separate operation	\$ 995,025	\$ 1,164,877	\$ (169,852)
Ratio to operating revenues	6.86	9.14	(2.28)
Total gross	\$16,280,213	\$14,531,772	\$1,748,441
Total deductions	3,028,157	2,799,418	228,739
Total operating expenses - Belt Railway - Separate operation	\$13,252,056	\$11,732,354	\$1,519,702
Ratio to operating revenues	91.39	92.01	(.62)
Operating revenue per car	\$ 18.770	\$ 17.307	\$ 1.463
Operating expense per car	\$ 17.154	\$ 15.924	\$ 1.230

CARS HANDLED

Cars Handled by The Belt Railway Company of Chicago in its "Separate Operation"	1970		1969		Increase or (Decrease) Percent
	Number	Percent	Number	Percent	
INTERCHANGE:					
Loaded cars	226,823	29.36	208,924	28.36	8.57
Empty cars	177,809	23.02	163,257	22.16	8.91
LOCAL:					
Loaded cars	191,574	24.80	190,844	25.90	.38
Empty cars	176,316	22.82	173,742	23.58	1.48
Total	772,522	100.00	736,767	100.00	4.85
TOTAL:					
Loaded cars	418,397	54.16	399,768	54.26	4.66
Empty cars	354,125	45.84	336,999	45.74	5.08
Total	772,522	100.00	736,767	100.00	4.85
Cars interchanged directly between Owner Roads at Clear- ing and other yards, being handled by The Belt Railway through those yards	284,317		288,929		(1.60)
Cars handled by Owner Lines in direct movement over Belt Railway Co. of Chicago	774,386		801,497		(3.38)
Total cars handled	1,831,225		1,827,193		.22

The following statement shows the number of cars handled by The Belt Railway Company of Chicago in its "Separate Operation" annually during the past five years.

Year	Interchange		Local		Total Cars
	Loaded	Empty	Loaded	Empty	
1966	256,325	186,403	273,581	245,057	961,366
1967	248,136	205,550	269,859	247,343	970,888
1968	160,002	139,885	160,155	145,368	605,410
1969	208,924	163,257	190,844	173,742	736,767
1970	226,823	177,809	191,574	176,316	772,522

The following statement shows the number of cars interchanged during the last five years directly between Owner Roads at Clearing and other yards, being handled by The Belt Railway through those yards, also cars handled by Owner Lines in direct movement over The Belt Railway Company of Chicago.

Year	Number of Cars
1966	1,031,480
1967	1,054,852
1968	1,013,977
1969	1,090,426
1970	1,058,703

EQUIPMENT OWNED

	Number on Hand Dec. 31, 1969	Changes During Year		Number on Hand Dec. 31, 1970
		Added	Retired	
Locomotives:				
Diesel	45			45
Freight-train Cars:				
Caboose	30		1	29
Box	1			1
Total	31		1	30
Work Equipment:				
Flat cars	4			4
Gondola cars	2			2
Truck car	1			1
Refrigerator car	1			1
Instruction car	1			1
Wrecking derrick	1			1
Tool cars	2			2
Jet snow blower	1			1
Commissary cars	2			2
Jordan spreader	1			1
Burro crane	1			1
Total	17			17
Miscellaneous Equipment:				
Automobile trucks	23	3	3	23
Station wagon	1			1
Automobile trailers	4			4
4 Door sedans	6			6
Carryall	1			1
Total	35	3	3	35

MILEAGE OF TRACK OPERATED

	1970				
	First Main	Second Main	Other Mains	Yard Tracks and Sidings	Total
A - Owned by The Belt Railway Co.: Cragin to South Chicago including Clearing Yard	27.16	25.60	-	299.20	351.96
B - Leased from other companies:					
Chicago, Peoria & Western (Argo) . .	-	-	-	.52	.52
Clearing Industrial District (North)	-	-	-	12.88	12.88
Clearing Industrial District (South)	-	-	-	3.57	3.57
Total	-	-	-	16.97	16.97
C - Operated under trackage rights from other companies:					
C. & W.I. R.R. Co.					
80th St. to Pullman Jct.	3.56	3.47	-	.03	7.06
Pullman Jct. to South Deering . .	2.68	2.68	2.54	.38	8.28
South Deering to Burnham	4.76	4.76	.67	3.83	14.02
C.R.I. & P. Ry. - South Chicago . .	-	-	-	1.57	1.57
Penn Central - South Chicago . . .	-	-	-	.09	.09
I.H.B.R.R. - 55th to Elsdon	1.41	1.40	-	-	2.81
B.&O.C.T.R.R. - Clearing to Proviso.	9.05	8.09	-	13.70	30.84
B.&O.C.T.R.R. Southwest Division (Cicero District)	-	-	-	6.08	6.08
N & W Railway - Ford Yd. & Lead . .	-	-	-	1.26	1.26
Calumet Western R.R. - 112th to 116th	.51	-	-	-	.51
Penn Central & I.H.B. R.R. (Joint) 116th to 117th	.11	-	-	-	.11
Chicago, West Pullman & Southern - South Chicago	-	-	-	.09	.09
Chesapeake & Ohio Ry. Burnham	-	-	-	.17	.17
Total	22.08	20.40	3.21	27.20	72.89
Total Miles Operated	49.24	46.00	3.21	343.37	441.82

*Trackage Rights Not Exercised.

YARD TRACKS OWNED BY THE BELT RAILWAY CO. BUT NOT OPERATED

(Not included in above mileage)

Leased To	Location	Miles of Road
C.W.P. & S. R.R.	Warner Branch	1.46
C. & O. Ry. Co.	Rockwell St. Yard	10.91
Total		12.37

TRACAGE RIGHTS GRANTED OTHER COMPANIES

Company	Location	Miles of Road
I.H.B.R.R.	Elsdon Branch	1.51
E.J. & E.Ry.	South Chicago to Mill Gate & South Deering . .	3.40
Chicago Short Line	South Chicago to South Deering	2.90
Total		7.81

REPORT OF CONTROLLER

The statements included in this report have been prepared from records maintained under my supervision and to the best of my knowledge and belief set out the amounts shown in accordance with principles and methods of accounting prescribed or authorized by the Interstate Commerce Commission.

W. J. CASSIDY

Controller

Chicago, Illinois

March 15, 1971